



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5963

by Rep. John D. Anthony

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that each taxpayer is allowed a credit against the tax imposed under the Act in an amount equal to a percentage of wages paid to an employee who was drawing unemployment compensation at the time of hire and who has been employed by the taxpayer as a full-time employee for a period of 12 consecutive months at any point during the taxable year.

LRB098 18902 HLH 54049 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Credit for wages paid to recently unemployed  
8 persons.

9 (a) Each taxpayer is allowed a credit against the tax  
10 imposed by subsections (a) and (b) of Section 201 in an amount  
11 equal to a percentage of the wages paid to an employee who, as  
12 certified by the Illinois Department of Employment Security,  
13 was drawing unemployment compensation, or whose unemployment  
14 benefits had expired, at the time of hire and who has been  
15 employed by the taxpayer as a full-time employee for a period  
16 of 12 consecutive months at any point during the taxable year.  
17 The credit shall be calculated as follows:

18 (1) 50% of wages paid if the employee's wages are not  
19 less than \$14 per hour at any point during the taxable  
20 year;

21 (2) 40% of wages paid if the employee's wages are less  
22 than \$14 per hour but not less than \$12 per hour at any  
23 point during the taxable year;

1           (3) 35% of wages paid if the employee's wages are less  
2           than \$12 per hour but not less than \$10 per hour at any  
3           point during the taxable year; and

4           (4) the taxpayer is not entitled to a credit under this  
5           Section if the employee's wages are less than \$10 per hour  
6           at any point during the taxable year.

7           (b) For purposes of this Section, "full-time employee"  
8           means an employee who works no less than 37.5 hours per week.

9           (c) The tax credit may not reduce the taxpayer's liability  
10          to less than zero. If the amount of the credit exceeds the  
11          income tax liability for the applicable tax year, then the  
12          excess credit may not be refunded to, or transferred by, the  
13          taxpayer.

14          (d) The tax credit may be claimed for only one taxable  
15          year.

16          (e) Partners, shareholders of subchapter S corporations,  
17          and owners of limited liability companies (if the limited  
18          liability company is treated as a partnership for purposes of  
19          federal and State income taxation) are entitled to a credit  
20          under this Section to be determined in accordance with the  
21          determination of income and distributive share of income under  
22          Sections 702 and 703 and subchapter S of the Internal Revenue  
23          Code.